

Drought Relief Package:

South Dakotans Lose; Other Interests Win

The negotiated drought bill confirms our worst fears about a poorly crafted approach to disaster assistance. Under the plan, South Dakota ranchers and farmers will be forced to fight over a woefully inadequate pot of money, while certain interests like catfish, tobacco, and cotton will walk away with the millions needed by suffering farmers and ranchers.

Inadequate Aid for South Dakota Ranchers

The bill provides a total of \$350 million for livestock producers to deal with a drought that has caused more than \$1.5 billion in losses. In a gimmick that could prevail only in Washington, the bill changes the law to include “catfish” in the definition of livestock – making catfish producers eligible for livestock aid. Of that \$350 million, \$100 million will be available through the Livestock Compensation Program for all ranchers suffering losses from the drought. The remaining \$250 million will have to be split among producers suffering from over \$1.5 billion in losses.

Inadequate Aid for South Dakota Farmers

Amazingly, the plan dramatically limits aid to those hit by consecutive years of drought. Farmers can choose to receive aid for last year, or the year before, *but they won't be allowed to receive aid for both, as I had proposed* – regardless of how hard they've been hit. In addition, producers will be compensated at lower rates than under my amendment. Those with crop insurance will be compensated at only 50% of the applicable price for their crop, and those without crop insurance are compensated at 45%.

Where Did the Money Go?

The bill is being touted as a \$3.1 billion package, so why are those suffering because of the drought left with so little? The bottom line: some saw this bill as an opportunity to seek aid for economic losses unrelated to natural disaster.

Robbing Peter to Pay Paul

And while the amount actually helping those recover from the drought is small, the entire package is funded through cuts to other farm programs. The Conservation Security Program (CSP), which is designed to provide income for producers who practice certain conservation practices on working lands, is cut by \$3 billion. While these cuts fund essential disaster aid, they also fund projects completely unrelated to natural disaster.